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The Opium Menace in the Far East

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with the aid of the Research Staff of the Foreign Policy Association

INTERNATIONAL cooperation in the field of narcotic drugs¹ has at present become effective to the point where existing treaties supervise every stage of the movement of narcotic drugs from manufacturer to consumer.² All efforts, however, have failed to limit the production of raw materials from which are derived drugs and opium prepared for smoking. Agreements in regard to opium smoking have been largely unsuccessful, both in preventing smuggling and in making progress toward the eventual suppression of smoking.³ Moreover, the difficult problem of addiction to drugs has never been solved. Thus, at one extreme, the absence of international regulations regarding the production of raw opium and, at the other, the lack of any effective limitation of smoking-opium or diminution of drug addiction still hampers international control over the trade

and manufacture of opium and drugs. These omissions permit the existence of illicit traffic, an evil difficult to estimate in extent. International advance in the control of narcotic drugs is progressively nullified as the illicit traffic gets out of hand.

At present the center of most of the world's illicit traffic is in China and Manchoukuo. In the Chinese provinces over which the Nanking government has least jurisdiction there is an immense production of raw opium. It has been estimated that the areas north and south of the Great Wall yield 90 per cent of the raw opium produced in the entire world.⁴ In addition, clandestine manufacture of morphine and heroin within China, as well as wholesale smuggling of these drugs into the country, is creating a huge surplus which finds an illicit market abroad as well as in China.

The problem of opium smoking in the Far Eastern territories and concessions of Japan and the European powers, moreover, has not been solved. The smoking of opium is permitted by treaty temporarily; its prohibition is deemed impractical while large-scale production in China continues to facilitate smuggling.⁵ The existence of legalized opium-smoking in such proximity to China has tended to promote illicit traffic and has nullified to a large extent China's past efforts to limit and eventually suppress the habit. In addition, this consumption of smoking-opium creates a demand that Chinese poppy-growers can supply through illicit channels. China continues to insist that there is little hope of suppressing the supply without first suppressing the demand. On the other hand, China

1. The term *narcotic drugs* is taken to mean both opium prepared for smoking and the derivatives of opium, the dangerous drugs. The word *opium* is used in the larger sense to include raw opium, opium prepared for smoking, and such derivatives as morphine, heroin, codeine, etc. Opium prepared for smoking is processed from raw opium, which is the coagulated juice from the capsules of a certain species of the poppy plant (*Papaver somniferum* L.). Crude morphine is derived from raw opium, which contains from 5 to 20 per cent of morphine. From the crude morphine are manufactured morphine salts. There are also certain morphine derivatives: acid-radicals (esters), such as benzoylmorphine and diacetylmorphine (heroin); and alcohol-radicals (ethers), such as codeine and peronin, and others. Almost all these dangerous drugs are necessary to the medical profession, but they are also used by drug addicts in the form of pills, smoked or swallowed, or by means of subcutaneous injection.

2. For a discussion of existing treaties, cf. Helen H. Moorhead, "International Limitation of Dangerous Drugs," *Foreign Policy Reports*, April 1, 1931, and "International Administration of Narcotic Drugs 1928-1934," *ibid.*, February 27, 1935.

3. Cf. *ibid.*; also Herbert L. May, "Survey of Smoking Opium Conditions in the Far East," Report to the Executive Board of the Foreign Policy Association, March 1927; and "Opium and Labour," International Labour Office, Studies and Reports, Series B, No. 22, Geneva, 1935.

4. League of Nations, Opium Advisory Committee (hereafter cited as O. A. C.), Thirteenth Meeting, Twenty-first Session, May 28, 1936, statement by American representative, Document C.290.M.176.1936.XI., p. 62.

5. League of Nations, O. A. C., Bangkok Agreement of 1931, C.70.M.38.1932.XI., p. 10.

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produces such a large quantity of the raw material that it is sure to find its way to the consumer—if not licitly, then illicitly.

The two extremities of the narcotic problem in the Far East—opium growing and opium consumption—are closely related. The League of Nations has planned another international attack on the problem of limiting production of raw opium.⁶ But the continuance of opium smoking under government license brings into the problem the great difficulty of estimating the amount of raw material required for the production of prepared opium for smoking. Not only must a date for the absolute suppression of opium smoking in the Far Eastern territories be considered, but an improvement in the narcotic situation in China and Manchoukuo must take place. Opium cultivation and clandestine drug manufacture in their present proportions are a menace to the world. Continued abuse of prepared opium and dangerous drugs, by leading to the demoralization of the Chinese, will menace the political stability of the country. Any such situation would directly affect the United States.

BACKGROUND OF NARCOTIC CONSUMPTION IN CHINA

The appetite for opium which now exists among a large portion of the Chinese was, in part, induced and sustained by the trading ambitions of imperialistic England throughout the middle nineteenth century. During the last fifty years not only has China grown poppy for home consumption, but it has also imported opium from Turkey, India and Iran, because of its superior quality, high morphine content and excellent blending properties. This craving for opium is partly due to the oppressive conditions of life under which the average Chinese labors for a meager existence. Education is deficient; ambitious instincts dormant; and distractions which the Occident takes for granted are unavailable for more than 99 per cent of the people. In addition, there is a belief among many of the Chinese who desire progeny in accordance with their beliefs in ancestor worship that opium is an aphrodisiac and an aid to procreation. Addiction starts easily and spreads with great rapidity. Estimates vary on the extent of opium smoking and drug addiction among the Chinese. Anywhere between fifteen and fifty million are thought to be opium users in one form or another. The large majority consume opium by smoking the prepared form in pipes, in preference to eating it as is the

habit in India. Where opium smoking is limited by law or scarcity of supply, addicts tend to shift to morphine and heroin, which is supplied through illicit channels. In recent years there has been an immense growth in the use of these opium derivatives, particularly in the regions where smoking dens are restricted and pipes not available. Either as a cure for addiction to opium smoking, or deliberately offered free by peddlers to the uninitiated, the habit is easily formed and broken only with the utmost difficulty. Drugs are available almost everywhere in China.

In the early part of the century strenuous efforts were made by the old Imperial government and the new-born republic to stamp out poppy cultivation. By 1906 an enormous growth in opium smoking had taken place, 30 to 40 per cent of the people being addicted according to some estimates.⁷ Finally the government realized the necessity for action. England cooperated to the extent of agreeing to restrict the exportation of Indian opium to China *pari passu* with the Chinese government's willingness and ability to limit the growth of poppy. By 1914 India's opium was prohibited from entering China, and within China itself production of opium had been suppressed in some provinces and greatly reduced in most others. All observers of the period agreed that China had made remarkable progress in eradicating the evil.⁸ A demand still existed on the part of numerous uncured addicts, however, and reaction swiftly and suddenly undid the good work of the previous ten years. After 1917 the recrudescence of poppy-growing was almost entirely due to chaotic political conditions. The end of concerted action and government control over opium came with the decentralization of power, and the military governors seized the opportunity of collecting revenue in various provinces. This revenue, so vital for the retention of their armed forces, was most easily gained by taxing opium. Poppy-growing was consequently not only encouraged but enforced by provincial military law. By 1924, when the Opium Conferences were meeting at Geneva, China's opium problem was again out of hand.

In the meetings of the Opium Advisory Committee that year, the situation was discussed in the light of two reports: an investigation in 1923-1924 by the International Anti-Opium Association of Peking,⁹ and the report of the Chinese High Com-

6. League of Nations, O. A. C., *Report to the Council on the work of the Twenty-first Session*, C.278.M.168.1936.XI., Geneva, July 1, 1936, p. 16.

7. International Anti-Opium Association, "The War Against Opium" (Tientsin Press, Ltd., 1922), p. 18.

8. Cf. Sir Alexander Hosie, *On the Trail of the Opium Poppy* (London, Geo. Philip & Son, Ltd., 1914).

9. Cf. League of Nations, O. A. C., *Minutes of the Sixth Session*, C.397.M.146.1924.XI., appendix 3, p. 117.

missioners.¹⁰ The discrepancies were so striking that the Chinese delegate admitted his government was not satisfied with the report submitted, and accepted the criticisms as to the report's accuracy. Production in 1923-1924 in China was estimated by foreign observers to be over 15,000 tons, representing about nine-tenths of the world's annual production.¹¹ In the First (Opium Smoking) Conference of 1924-1925 most of the Opium Advisory Committee's recommendations¹² were rejected by all countries except China, on the ground that the situation regarding Chinese illegal production and smuggling was so abnormal that any immediate scheme for suppressing opium-smoking or even rationing and registering addicts was deemed impossible. Such a system would depend on complete control of the opium supply, and no progress toward international restriction could take place while China was flooding the territories by illicit trade.¹³ Such a stalemate eventually forced the Chinese delegation to withdraw, accompanied by the protestations of Dr. Sao-Ke Alfred Sze over the failure of other nations to prohibit the traffic in and use of prepared opium in their Far Eastern territories.¹⁴

In 1931 China again joined the international movement to stamp out the illegal use and traffic in dangerous drugs when a conference was held to limit their manufacture. China ratified the subsequent convention in 1934.¹⁵ Ironically enough, while this convention has since become effective in the West almost to the point where legitimate manufacture is limited to legitimate demand, the center of the illicit manufacture and trade in drugs has gravitated to China and Manchoukuo, where production of the raw material has reached its peak. Clandestine manufacture and illicit traffic in China are increasing by leaps and bounds, now that international restrictions are drying up the over-manufacture of dangerous drugs in the Western countries which five years ago was finding its

way into China. Thus the situation in regard to the smuggling of dangerous drugs has been reversed.

Until 1934 the Chinese government had been pursuing a legalistic course of "strict prohibition," with one exception. In 1927 the National Government succumbed to the temptation of diverting the opium revenue from private individuals to itself by setting up a Three-Year Prohibition Policy called "suppression by taxation." Public opinion, led by the National Anti-Opium Association, was outraged and this suppression monopoly, which had proved a failure, was discontinued in 1928.

Since 1925 the struggle between two groups has been bitter. On the one hand, the militarists, politicians and government members advocate a government monopoly coupled with eventual suppression measures; on the other, the anti-monopolist group, including such strange bedfellows as missionaries and illicit traffickers, insist on continuing the policy of strict prohibition. The anti-monopolists have argued that to legalize opium is to lose inestimable ground in the war against it, for a government—once it establishes monopolies—is loath to relinquish the revenues that accrue from such lucrative sources. The monopolists opposed this by pointing to the dismal failure of the system of absolute prohibition. They stressed the desirability of taking the revenue away from illicit traffickers and recalcitrant provincial governors who are not in sympathy with the government. Some took the stand that the Central Government could never extend its authority to the semi-independent militarists until it had taken over the opium traffic, the exploitation of which was supporting rebel armies.¹⁶

The victory of the anti-monopolists resulted in the Opium Suppression Act of 1929 which, coupled with the Criminal Code of 1928, might have been effective in curbing the opium evil had it been applied by a strong government with efficient policing. The distraction of the government and the people during the Japanese invasion of northern China and the attack on Shanghai allowed opium production and traffic to reach its most serious stage. Recognition of this situation was most forcibly brought before the Opium Advisory Committee in 1934.¹⁷

According to the representative of the United

10. *Ibid.*, p. 115.

11. Cf. League of Nations, O. A. C., *Report to the Council on the work of the Sixth Session*, A.32.1924.XI., p. 3.

12. These recommendations included restriction of opium consumption by a system of rationing and registering smokers and uniformity both in the price of prepared opium and penalties for infractions. The recommendation for the abolition of the "farming system" and private retail shops was accepted by the conference in the agreement signed.

13. Cf. *International Control of the Traffic of Opium*, Foreign Policy Association Pamphlet No. 33, May 1925, p. 8.

14. Cf. Sao-Ke Alfred Sze, *Geneva Opium Conferences, Statements by the Chinese Delegation* (Baltimore, Johns Hopkins Press, 1926).

15. Convention for Limiting in Manufacture and Regulation the Distribution of Narcotic Drugs, signed at Geneva, July 13, 1931.

16. H. G. W. Woodhead, "The Truth About Opium in China," *Shanghai Evening Post and Mercury*, March 1931, p. 70.

17. Cf. League of Nations, Advisory Committee on Opium and Other Dangerous Drugs, *Minutes of the Eighteenth Session*, C.317.M.142.1934.XI., Twelfth and Thirteenth Meetings, May 29, 1934.

States,¹⁸ opium production was increasing each year both north and south of the Great Wall. This immense surplus production, together with the increase in clandestine manufacture of drugs, was having repercussions in the United States. In view of the fact that China had become a dangerous center for the illicit production, traffic and manufacture of narcotics, more detailed information was requested from the Chinese government, and its responsibility for policing the provinces was pointed out. The Chinese delegate, while admitting his government's failure to suppress the poppy and stamp out manufacture, insisted on the collaboration of a "certain Power" having concessions in China—easily identified as Japan—without whose assistance the government's efforts to pursue its campaign of prohibition would be in vain. He emphasized the inadequacy of the penalties for traffickers as administered by this country. As a result of the exposures in this meeting,¹⁹ the governments which enjoy extraterritorial rights in China were requested to impose more severe penalties on their nationals who were convicted of trafficking in narcotics, and to deport those already apprehended. A further measure concerned the withdrawal of protection to vessels habitually engaged in the illicit traffic. The use of the word "habitually," however, rendered this measure impotent.

In 1934 the Central Government finally abandoned its program of prohibition, and re-established the system of monopoly by creating an Opium Suppression Supervisory Bureau, directly responsible to the president of the government's Military Council.²⁰ It was the contention of the government that only by legalizing production in certain sections, by gradual prohibition over a period of six years, by licensing smokers, and by centering complete control in the hands of the military authorities could China make any progress. On the other hand, the National Anti-Opium Association condemned the government for taking advantage of the Sino-Japanese conflict to subvert the association's activities and silence those who had heretofore been so successful in preventing the opium trade from becoming a legalized item in the nation's budget. An examination of the new regulations for dealing with the narcotic problem and an analysis of its results will do much to indicate the reason for military rather

than civil control, and to reveal the possibility of attaining any effective suppression in the future.

NEW REGULATIONS

The 1934-1935 regulations and laws regarding opium growing, transportation and smoking on the one hand, and the traffic, manufacture and use of high-powered narcotic drugs on the other, are known as the Six-Year Plan; for it is the avowed purpose of the government to put an end to the opium evil by 1940. The Director-General for the suppression of opium, appointed by the Central Political Committee of the Kuomintang in May 1935, is Generalissimo Chiang Kai-shek. He is assisted by two subsidiary bodies acting directly under his orders. The Opium Suppression Supervisory Bureau at Hankow is to curb the illicit sale and transportation of narcotic drugs and control the sale and transportation of opium permitted for registered smokers, reserving for the government the profits accruing from such administration. The Central Commission for the Suppression of Opium at Nanking coordinates the gradual elimination of poppy cultivation in the various provinces and directs the campaign against narcotic drugs.

The Central Commission has elaborated a program to prohibit and limit further cultivation of the poppy. For this purpose the coastal and most accessible provinces have been distinguished geographically from the "frontier" provinces. Poppy-growing is prohibited entirely in the "inner" provinces, which include Honan, Hupeh, Anhwei, Kiangsi, Chekiang, Hunan, Shansi, Hopeh, Shantung and Fukien.²¹ In the "frontier" provinces, where heretofore the greatest proportion of opium has been grown and where also the government exercises the least control, a plan has been evolved providing for temporary production leading to gradual but eventual prohibition according to a formula.²² Thus by 1937 all poppy-growing will be prohibited in Shensi, but permitted in designated *hsiens*²³ of Yunnan, Szechuan, Kweichow, Kansu and Suiyuan. Poppy cannot be planted in Yunnan after 1938, in Szechuan after 1939, while after 1940 no poppy at all can be grown in China. Severe punishment for violation of these laws is to be administered. Military force can be used against recalcitrant poppy farmers, while municipal and provincial authorities who neither report nor uproot

18. Mr. Stuart J. Fuller, Assistant Chief, Division of Far Eastern Affairs, Department of State.

19. *Ibid.*

20. Cf. League of Nations, O. A. C., Documents O. C. 1576 and 1576(1), November 14, 1934, and May 9, 1935.

21. League of Nations, O. A. C., *Report to the Council on the work of the Twentieth Session*, C.253.M.125.1935.XI., June 18, 1935, pp. 5, 6.

22. League of Nations, O. A. C., Document O. C. 1639(a), May 22, 1936.

23. A *hsien* is a district, comparable to a county.

growing poppy will be executed. To detect violations, deputy inspectors in conjunction with the provincial governments make frequent surveys. If an area which has once been reported as uprooted of poppy is again found cultivated, not only the cultivators but also the magistrates, village chiefs and opium inspectors of the district will be severely punished by military law.

In regard to opium smoking, China now has regulations to limit the habit gradually and suppress it entirely by 1940. Compulsory registration of smokers has been in effect since 1935, but has not proceeded as rapidly as expected.²⁴ The purpose of this registration is to obtain statistics which will serve as the basis of a plan to cure addicts and eventually abolish opium smoking. When an accurate figure of the number of smokers is obtained, the Opium Suppression Supervisory Bureau will gradually reduce the supply of opium, while attempting to cure addicts in five yearly periods according to age. The purchase, transportation and sale of opium is authorized by the Bureau; retailers and hong-owners are restricted and can operate only with permits. All others are illicit traffickers and liable to execution. Party members, government officials, military men, school teachers and students are forbidden to smoke opium; and addicts among them who have once been cured and reacquire the habit are to be executed.²⁵

The laws relating to illicit drug traffic and drug addiction are the severest that China has ever tried to enforce.²⁶ The following offenders are liable to execution: persons found manufacturing, transporting or selling narcotic drugs; accomplices in these acts (beginning in 1937); and persons reacquiring the drug habit after having been cured at a government center. In 1937 all persons using narcotic drugs or taking morphine injections will be executed or sentenced to life imprisonment.²⁷ Before this law goes into effect the government will give free cures for those addicted. The death penalty is also decreed for government employees

who are apprehended protecting offenders or receiving bribes—a drastic blow at the traditional Chinese “squeeze.” This determined drive to stamp out addiction seems to be the answer to flagrant Japanese and Korean efforts to flood China with demoralizing drugs. The Chinese government, led by Chiang Kai-shek, is officially aroused.

RESULTS OF GOVERNMENT CONTROL

In spite of the new regulations, the narcotic situation in China has not been greatly improved.²⁸ In some sections it is growing worse. In any analysis of the extent of the opium evil at the present time, a division must be made between the provinces over which the Nanking Government exercises control and the parts in which foreign governments have concessions and leased territories and in which autonomous, semi-autonomous and Japanese-influenced régimes have been set up. In the first category, provinces such as Shensi, Shantung, Shansi, Kwangsi and Kansu, which are, in lesser or greater degree, independent of Nanking, must be included because the official responsibility rests with Chinese nationals. In the second category are the international settlements and concessions at treaty ports, the Japanese-controlled region of East Hopei, the province of Fukien, which is being penetrated by Japanese nationals,²⁹ and the Japanese-influenced regions of Hopei, Chahar and Suiyuan.

As far as the provinces under Nanking's jurisdiction are concerned, the results of the opium monopoly and its efforts as an agency of suppression have been reported in part to the Opium Advisory Committee at Geneva. These official reports are meager and their accuracy highly debatable.³⁰ The Advisory Committee in its twenty-first session, May 25 to June 5, 1936, discussed the latest information submitted by the Chinese delegate. In addition to the new regulations, certain figures were given as evidence of the advance made. The incomplete statistics for the registration of opium smokers showed a total of 1,218,416. The figures for Szechuan, Honan, Kiangsi, Shansi, and Yunnan were deficient; the low number for Kansu was admittedly out of proportion to the known number of smokers, while the province of Kansu unofficially reported more than 300,000. Cultivation of opium is prohibited in twelve provinces. Sales of raw opium, legitimately grown in the “frontier” provinces, amounted to some 1960 tons

24. Opium smoking is strictly forbidden in Shantung and Chekiang provinces and in the municipalities of Tsingtao and Nanking. In twelve provinces and municipalities registration is still going on, although the deadline was set for the end of 1935. Cf. League of Nations, O. A. C., Document O. C. 1638, June 18, 1936.

25. Cf. League of Nations, O. A. C., Document O. C. 1606, May 31, 1935.

26. The Provisional Regulations for the drastic prohibition of high-powered narcotic drugs were promulgated in May 1934. Cf. Documents O. C. 1576 and 1606, cited. These laws replace the laws for the suppression of opium (1929) and Chapter XX of the Criminal Code, which were abrogated May 29, 1935.

27. This would exclude, of course, those legitimately treated by the medical profession. An addict applies through the police authorities for a cure.

28. Manchoukuo will be treated apart from China.

29. Cf. Hallett Abend and A. J. Billingham, *Can China Survive?* (New York, Ives Washburn, Inc., 1936), Chapter XV.

30. Cf. Document 1638, cited.

in 1934, which would net the monopoly about twenty million dollars (Chinese).³¹

In regard to the campaign against dangerous drugs, it is reported that 964 persons had been executed for breach of the narcotic laws. Seizures for 1935 included 36,977 pounds of raw opium, 439 ounces of morphine, 1760 ounces of heroin, and 5414 ounces of narcotic pills.³² Many cures were effected in the disintoxication hospitals, which by 1935 had grown to over 800. By November 1936 one hospital in Shanghai had discharged over 7000 patients as cured. Reports from Kiangsu show that 20,000 persons have been prosecuted under the opium suppression laws, while in Hupeh 5568 dens were closed and 7500 addicts cured.³³ Opium addicts in Kiangsi who failed to abstain within a designated period were to have *yen min* (opium addict) branded on their faces.³⁴ In a speech on June 3, 1936 Director-General Chiang Kai-shek reaffirmed his desire to stamp out opium and stated that, aside from public health, the motive behind national opium suppression was to increase and diversify agricultural productivity by prohibiting the poppy in areas needed for raising food.³⁵ In a previous speech the Generalissimo stated that the national government was no longer anticipating supplementing treasury income by means of taxation of opium,³⁶ but made no mention of the part opium taxation played in the projected budgets of the provincial governments. He pointed out that most progress had taken place in Chekiang and Kiangsu. Planting had been greatly reduced in the Yangtze provinces, dropping from 40 to 10 *hsien*s in Szechuan—a province about the size of France.

The Chinese government's sincerity in curbing the opium traffic has been questioned, and its official statistics of results under the new regulations have not been universally accepted.³⁷ The cultivation of poppy and the traffic in opium has long been a factor in the modern political life of China, and any decentralization of authority provokes a struggle over the collection of opium taxes. The situation today has changed somewhat as Nanking has extended its control. The opium revenues are still needed, however, to sustain the forces necessary to continue this control; so now, as formerly,

it is the military—this time the armies of the Central Government—which supervises its collection. The Nanking Government is still trying to divert all opium revenues into its own purse, for wherever opium taxes fall into other hands there is danger of resistance to the Central Government. On the other hand, great numbers of the military authorities and the governing classes are said to participate in opium profiteering and have been accused of collecting tremendous sums from the opium traffic which do not appear in the official records.³⁸ In addition, nearly all opium revenues must be covertly shared with racketeers in the large distributing centers, for drug gangs are powerful in municipal politics.³⁹ Consequently, the unknown amounts pocketed by officials, politicians, soldiers and gangsters as “squeeze” undoubtedly exceed the official legitimate revenue.

The greatest proportion of the annual revenue of Kwangsi province is derived from taxes on the movement of opium across the province.⁴⁰ It has been stated that one of the motives behind the Kwangsi agitation against Nanking in June 1936 was to recover the immense opium transit taxes General Chiang had diverted to Hankow by extending Nanking's control over the provinces of Yunnan and Kweichow, where the policy of progressive prohibition of poppy was to be instituted.⁴¹⁻⁴³ In 1934 the “national” budget of Kwangsi showed an income of \$1,910,000 and expenditures of \$14,770,000. The deficit was covered by the opium transit tax and diverted to the “private war chest.”

The transit taxes on opium have always been a major item in the unofficial budgets of the provinces through which it passes. One of the motives behind the complete prohibition of poppy cultivation in the “inner” (coastal) provinces is supposed to be Nanking's desire to raise the price of opium by reducing the supply, with the additional advantage of collecting more transit taxes by moving the source of production further away from the ultimate market—the coastal cities.⁴⁴ Other revenues are gained by extra-legal protection of opium dens and the collection of “fines,” which in reality are bribes for illegal operation. It is also believed that large quantities of opium are smuggled to the coast to avoid payment of transit taxes in many provinces where government authority is weak.

31. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 54.

32. Cf. Council of International Affairs, *Information Bulletin* (Nanking), August 1, 1936, p. 7.

33. Cf. *China Weekly Review*, April 4, 1936.

34. Cf. *China Weekly Chronicle* (Peiping), June 4-10, 1936.

35. *Information Bulletin*, cited.

36. Cf. *China Weekly Chronicle*, February 24-March 1, 1936.

37. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited.

38. Abend and Billingham, *Can China Survive?* cited, p. 303.

39. Cf. *Current History*, November 1936, p. 108.

40. Cf. Abend and Billingham, *Can China Survive?* cited, p. 192.

41-43. Cf. *China Weekly Review*, July 4, 1936.

44. Cf. Maxwell S. Stewart, “Chiang Kai-shek and Opium Suppression,” *China Today*, October 1935.

This is evidenced by the seizure of 60,000 kilograms of non-government raw opium in 1935. The statement of the United States representative at the twenty-first session of the Opium Advisory Committee that opium production in the two provinces of Szechuan and Yunnan alone amounted to 8978 tons⁴⁵ should be compared with Chinese government statistics that only 1961 tons of opium were sold by the Supervisory Bureau during the same period. Moreover, it was also declared that posters in Yunnan were encouraging poppy planting in many *hsiens*. Although regulations have been adopted by the provincial government of Kweichow, which is five times the size of the Netherlands, no provision for the prohibition of poppy growing has yet been made.⁴⁶ In Hunan, where total suppression had once been ordered by the Nanking Government, 194 metric tons⁴⁷ were produced. Moreover, the ten *hsiens* now authorized to raise poppy in Szechuan have always produced the bulk of this province's immense output. The results of the survey submitted to the Opium Advisory Committee by the United States representative also disclosed that, although there was no production worth mentioning in twelve provinces, all other provinces except Ninghsia produced increasing amounts of opium in 1935. Even so, Ninghsia grew 780 metric tons, while Kansu produced more than usual in spite of suppression in limited areas. A sincere attempt, it seems, was made to suppress both poppies and smokers in the southern half of Shensi, which was controlled by Nanking's appointee, Shao Li-tze. The Communists hold absolute sway in northern Shensi, however, and continue to export large quantities of opium south to Sian and east into Shansi.⁴⁸ Although the Central Government has claimed the suppression of poppy cultivation in Shansi, Governor Yen Hsi-shan in 1931 created a provincial monopoly for the distribution of opium, which has since become a vested interest. The raw opium coming from Kansu, southern Suiyuan and northern Shensi is taxed heavily, to the great benefit of the monopoly and Governor Yen. Anti-opium pills, which contain 90 per cent opium, are in evidence everywhere, pre-

pared opium is retailed for \$2.50 an ounce, and heroin is easily obtainable.⁴⁹ In Sikang, Chinghai, Suiyuan and Chahar there has been no evidence of suppression, but several of these provinces are not controlled from Nanking. In general, it is still too soon to indicate the success or failure of the Chinese Government in suppressing the growing of poppy. From most reports, however, it appears that by the end of 1936 the production of poppy had not decreased to any appreciable degree. When it is suppressed in one place, it becomes more prevalent elsewhere, particularly in the vast "frontier" provinces.

The government's campaign against addiction to dangerous drugs reached its most sensational stage in January 1937. In spite of the fact that branded re-addicts were supposed to have been executed, the majority of the executions in 1935 and 1936 had been the result of peddling activities. But the regulations decreed death or life imprisonment for all narcotic users after January 1, 1937, and an immense amount of scare propaganda appeared in the closing months of 1936. Broadcasts to "be cured by New Year's or die!" were published, and hundreds of coffins were built and displayed.⁵⁰ After the New Year's holidays, however, the government followed a policy of inaction and "temporary leniency."⁵¹ One man, a peddler, was executed on January 8 before 10,000 Peiping onlookers,⁵² and five more narcotic dealers were shot five days later before an even greater crowd.⁵³ To date, although mass shootings have been planned in Kiangsu,⁵⁴ no executions of drug addicts have yet occurred. Government threats were effective, however, in forcing great numbers of addicts into hospitals for cures. Another result of this peremptory drive has been the appearance of quack hospitals for quick cures, but Tientsin authorities have been active in closing these establishments, one of which advertised a cure within seven hours. Another institution claims to have "cured" 15,000 addicts in 1936. At the same time it is estimated that 400 dens in Tientsin are still dispensing narcotics and prepared opium,^{54a} for the drastic drug regulations are forcing addicts to take up opium-smoking, penalties for which are less severe. Thus it appears that narcotic users are alarmed, and by arousing public interest the government has given renewed impetus to the attack on addicts and traffickers.

45. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited. The survey on which Mr. Fuller's statement is based was made with the aid of reliable and well-informed Chinese citizens in every province of China. The figures were obtained largely from Chinese officials.

46. *China Weekly Review*, January 18, 1936, p. 240.

47. One metric ton equals 0.9842 ton.

48. Haldore E. Hanson, "Leaks in the Opium Barrel," *China Weekly Review*, March 7, 1936. Accurate reports on the Chinese Communists' activities are meager. In other provinces, especially southern Kiangsi, the Communists have in the past made attempts to stamp out opium.

49. *Ibid.*

50. *New York Herald Tribune*, December 29, 1936.

51. *New York Times*, January 2, 1937.

52. *Ibid.*, January 9, 1937.

53. *Ibid.*, January 14, 1937.

54. *Ibid.*, February 19, 1937.

54a. Cf. *New York Herald Tribune*, January 6, 1937.

AREAS OUTSIDE NANKING'S JURISDICTION

It is in those sections of China over which Nanking has little or no jurisdiction that the illicit manufacture and traffic in dangerous drugs is widespread, although there is evidence that an alarming number of clandestine drug factories exist in the government-controlled provinces of Hupeh, Kiangsu and particularly Szechuan.⁵⁵ The most menacing centers are the Japanese-controlled area of East Hopei, the demilitarized zone established by the Tangku truce, and the cities of Peiping and Tientsin. Other sections where the drug evil is gaining ground include the province of Fukien, the five semi-independent provinces of north China and the cities in which there are foreign concessions. The penetration of Fukien by Formosans and Japanese has been accompanied by a consistent spread of vice.⁵⁶ A careful investigation by a group of responsible Americans and Chinese discloses the fact that 642 of the opium dens of Amoy and Foochow are owned or controlled by Formosans or Japanese.⁵⁷ Armed Japanese *ronins*^{57a} are stationed outside dens to prevent interference with their operation by Chinese police and to provide safe escort for Chinese addicts. The Chief of Police of the International Settlement at Amoy (Kulangsou) reported to the Opium Advisory Committee that little or no efficient control over the sale or use of opium or narcotic drugs existed in neighboring areas of China and, in consequence, cooperation in this section of Fukien was impossible.⁵⁸ Moreover, the clandestine manufacture of heroin in south Fukien continues unabated.⁵⁹

Crude morphine is produced in the principal opium-growing provinces and shipped to Shanghai, Hankow, Peiping and Tientsin. The majority of the factories for its conversion into morphine and heroin are hidden in these cities, from which enormous quantities of drugs are distributed throughout China and into the illicit channels of the world drug trade. The foreign settlements of these cities provide a refuge for smugglers, manufacturers and opium den owners of all nationalities, including Chinese. This is particularly true in Shanghai, where authorities are hindered from prohibiting the drug traffic in the French Conces-

sion and International Settlement because the Special District Courts cannot enforce the drastic penalties the Chinese government has lately instituted.⁶⁰ An investigation of the International Settlement of Shanghai by United States authorities discloses between 25 and 40 illicit establishments where cocaine and heroin may be bought or used. The traffic is highly organized, mostly in the hands of Koreans, who number over thirty in one district alone—Hongkew. These Japanese subjects, when sentenced by the Japanese consular courts, are subjected to penalties so light as to constitute no deterrent whatsoever.⁶¹ The drugs, mostly heroin and cocaine, are reported to have been obtained from Japan, Formosa or Dairen. A new source is Tientsin, where numerous Japanese-owned factories producing heroin have been discovered. In addition to the large amounts of cocaine and heroin smuggled into Shanghai, 66 per cent of the government opium distributed by the Hankow Supervisory Bureau enters the city, together with quantities of illicit opium which it is impossible to estimate.⁶² Shanghai is consequently the source of much of the Orient's illicit traffic, and rates as one of the drug centers of the world.

Aside from the Chinese trafficker, there is overwhelming evidence that the Japanese national is the most sinister character in the illicit drug trade north and south of the Great Wall. Throughout the coastal cities, as far west as Hankow, as far south as Canton, and particularly in the north China area, Japanese, Korean and Formosan *ronins* are manufacturing and peddling drugs. That this traffic has been accompanied by and coincident with the military penetration of Manchuria and north China during the last five years has often been pointed out.⁶³ The fact that the traffic exists in "terrifying degrees" in Manchuria and Jehol has been brought before the Opium Advisory Committee more than once,⁶⁴ and forces one to accept as correct the many reports that China south of the Great Wall has also been infected. The drug traffic in the demilitarized zone and in the Tientsin-Peiping area was facilitated by the establishment of a Japanese-supported régime in East Hopei which made possible immense smuggling opera-

55. League of Nations, O. A. C., *Minutes of the Eighteenth Session*, cited, p. 949.

56. Cf. Chen Han-seng, "Japanese Penetration in Southernmost China," *Far Eastern Survey*, November 4, 1936.

57. *Chinese Recorder*, March 1936.

57a. *Ronins* are gangsters.

58. League of Nations, O. A. C., Document O. C. 1569(f).

59. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 65.

60. During 1934 the maximum sentence decreed by the First Special District Court was three years' imprisonment; the average, less than a year. Cf. League of Nations, O. A. C., Document O. C. 1576(6).

61. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 74.

62. Document 1597(b), cited.

63. *China Weekly Review*, February 8, 1936.

64. League of Nations, O. A. C., *Minutes of the Eighteenth and Twenty-first Sessions*, cited.

tions of Japanese goods during the spring and summer of 1936. This "economic invasion" was part of the Japanese plan for penetrating south of the Great Wall. During May and June Britain became particularly perturbed over the smuggling into north China of goods in general and narcotics in particular. Cooperation between Japan and Britain in regard to the apprehension of drug traffickers had been embodied in notes exchanged on March 30, 1936.⁶⁵ This formed the basis of a warning to Japan to cease its alleged connivance in drug smuggling into north China.⁶⁶ The representations of the Chinese delegate to the Opium Advisory Committee were more restrained. He pointed out that certain foreign nationals were taking advantage of extraterritorial rights to engage in drug-trafficking on a vast scale, and as a consequence were stultifying the Chinese government's efforts to prevent the increase in drug addiction.⁶⁷ The abuse of these rights is particularly evident in the case of the Japanese courts, whose maximum penalties are referred to as "derisory" in the minutes of the Opium Advisory Board.⁶⁸ Fines for illicit trafficking are sometimes less than the profit gained from merely a week's sale of smuggled heroin. China and certain Treaty Powers have in the past used the existence of extraterritorial rights as either an excuse for inability or a cover for unwillingness to suppress opium smoking and illicit traffic in narcotic drugs.

The illicit traffic in the north China area has been measured both directly by impartial observers and indirectly by means of conjecturing the total illicit traffic and manufacture by the number of arrests and seizures.⁶⁹ A rather more accurate method, but one not yet accepted as conclusive, is to estimate the extent and locality of heroin manufacture by the amount of acid acetic anhydride imported into a district. This product is used almost entirely for the manufacture of aspirin, acetic rayon and heroin. Although China manufactures little or no aspirin or acetic rayon, it imported over 31 tons of acid acetic anhydride in 1935, of which 26 tons came from Japan.⁷⁰ Of this 9020 kilograms was imported into Tientsin within six months, one

Japanese dispensary taking almost six tons—an amount which could produce from three to six tons of heroin. The final disposition of importations of this product, however, was obscure to the Chinese authorities because 90 per cent of the amounts were consigned to Japanese pharmaceutical firms located in the Japanese concession.⁷¹⁻⁷²

In the East Hopei region, where the Kwantung army has set up a pro-Japanese régime, drug manufacturing has become so widespread that Jehol has apparently been replaced as a source of heroin and morphine for north China. Machinery previously used in Jehol for making heroin is being shipped south into the Tientsin-Peiping region, to be closer to areas of consumption.⁷³ In the city of Tientsin and its Japanese concession, it is estimated that one person out of every ten is a drug addict.⁷⁴ One raid in the summer of 1936 netted machinery for making drugs and \$90,000 worth of narcotics owned by the Japanese Transportation Company.⁷⁵ Three hotels in the Japanese concession were reported to contain 120 smoking and selling joints. There were 80 morphine dens in the Japanese concession, while opium pipes and lamps were sold openly in the streets.⁷⁶ Seventy drug joints, exclusive of the government *hongs*, located mostly near the Japanese Legation Guard in the East City, were supplying the 60,000 drug addicts of Peiping.⁷⁷ A raid in January 1936 resulted in the arrest of 654 persons in the Chinese section of Peiping, including Japanese, Koreans and Formosans. A dozen houses were found to be run by Japanese subjects, who were obtaining opium from dealers representing the Manchoukuan Opium Monopoly in Jehol.⁷⁸ Peiping officials have continually asserted that Korean dealers are responsible for the tremendous spread of the drug habit in their city.⁷⁹

The situation in the so-called "demilitarized zone" has been described as a vast drug reservoir for north China.⁸⁰ Hundreds of drug shops have sprung up, which have been supplied by salesmen

65. League of Nations, *Communication to Council*, Document C.524.M.335.1936.XI., Geneva, November 27, 1936.

66. Cf. *Japan Weekly Chronicle*, June 18, 1936, from *Domei* (London), June 11, 1936.

67. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 55.

68. *Ibid.*, p. 68.

69. It is, of course, exceedingly difficult to estimate the extent of any practice carried on outside the law, particularly in the absence of official reports.

70. Cf. League of Nations, O. A. C., Document O. C. 1593(a), May 15, 1936.

71-72. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 88.

73. Cf. *New York Herald Tribune*, November 1, 1936.

74. League of Nations, O. A. C., Document O. C. 1579(a), "The Opium and Drug Situation in Tientsin."

75. Cf. *New York Times*, August 7, 1936.

76. Cf. *China Weekly Review*, April 27, 1935.

77. *Ibid.*

78. Cf. *The Peiping Chronicle*, January 31, 1936.

79. *New York Herald Tribune*, December 29, 1936.

80. Cf. Muriel Lester, "Manchukuo 'Empire' extends influence southward by means of Dope Traffic," *China Weekly Review*, April 13 and 27, 1936.

who smuggle drugs in from Dairen and Manchoukuo in junks at Chinwangtao or by rail through Shanhaikuan. These drug shops, known as *yang hong*s or "foreign shops," are nearly all run by Koreans and Japanese. A taste of heroin is often given away as an advertisement or sold as a cure for tuberculosis at so-called medical clinics set up at fairs.⁸¹ The Changli district has been thoroughly investigated, and the results, communicated to the Opium Advisory Committee, disclose 131 morphine and heroin shops.⁸² In Tongshan over 200 dens sell drugs openly, while Kuyeh has 20 shops, Lanhsien 104, and Shanhaikuan 50. The Chinese representative told the members of the Opium Advisory Committee that he possessed the addresses of 498 drug establishments in Hopei.⁸³ It must be concluded that the whole province of Hopei is being poisoned with drugs, while peddlers are fast penetrating Shantung, Shansi, Chahar and Suiyuan. Japan contends, with some justification, that it receives no cooperation from the Chinese authorities, that it has no control over the Koreans of north China and that, inasmuch as the friction between Japanese and Chinese authorities outside the concessions enables the traffickers to play one against the other, the policing problem is a difficult one. On the other hand, backed by the Kwantung army, the Japanese and Korean traffickers have openly challenged the Chinese police authorities and resisted with arms any interference in their trade, while enjoying lenient penalties when apprehended by their own authorities.

OPIUM MONOPOLY IN MANCHOUKUO

Further north in Manchoukuo an opium monopoly has been operating since 1932. This section of China has always been a black spot on the narcotic map, for Jehol grows great quantities of opium and the cities of Harbin, Mukden and the leased territory of Kwantung, which includes the port of Dairen, are centers of drug addiction and manufacture.⁸⁴ It is the avowed purpose of the Manchoukuo Opium Monopoly to register and license smokers, sell opium prepared for smoking and authorize certain districts to cultivate poppy. But no specific regulations for controlling the manufacture and traffic of morphine and heroin exist. Opium is sold at fixed prices through 1200

retailers. By the end of 1934 only 99,000 addicts had been issued certificates,⁸⁵ although it is variously estimated that some 3 to 6 million inhabitants of Manchoukuo are addicted to opium smoking.⁸⁶ The revenue accruing to the monopoly has, moreover, risen steadily, the ¥13,234,000 for 1935 representing an increase of almost 300 per cent over the profit in 1932. According to one report, this increase is "due largely to the improved purchasing machinery, decrease of illegal sales and better understanding of the monopoly system itself, the latter factor inducing the chronic opium smokers to turn from illegal supplies to the government products."⁸⁷

In the absence of dangerous drug regulations in Manchoukuo, the Japanese *ronins* have also commercialized the trade in opium derivatives.⁸⁸ Addiction to morphine, heroin and cocaine⁸⁹ is widespread in most of the cities. One observer reports a vicious situation in Mukden, where 550 Japanese- and Korean-owned drug shops are said to be operating.⁹⁰ Harbin's business district alone harbors 29 narcotic joints, 20 of which are owned by Japanese.⁹¹ The number of drug addicts in the three northeast provinces is said to have increased from 240,000 to 740,000 during the last few years.⁹² Production of morphine and heroin has been proceeding on a large scale, with the Japanese-owned laboratories in the Kwantung Leased Territory serving as a concentration point. A million yen worth of narcotic drugs was smuggled into Dairen every month, according to local police authorities.⁹³ Recently, regulations have been enforced, and the center of the drug traffic has shifted to Mukden and Tientsin. Even so, the drug smuggling in Dairen is still extensive.⁹⁴

Manchoukuo is in an anomalous position since it is not recognized by the League of Nations, and

85. *Fifth Report on Progress in Manchoukuo to 1936* (Dairen, the Southern Manchurian Railway Co., July 1936), p. 47.

86. Cf. Professor Miyajima, "Opium Policy in Manchoukuo," *Geneva*, October 1934; also League of Nations, O. A. C., *Minutes of the Eighteenth Session*, cited, p. 60.

87. Cf. *Fifth Report on Progress in Manchoukuo to 1936*, cited.

88. "Manchurian Opium and Heroin Monopoly Expands into North China," *China Weekly Review*, February 8, 1936.

89. Incidentally, Japan manufactures 26.2 per cent of the world's cocaine. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 48.

90. Cf. "An Ash Heap in Mukden," *The Chinese Recorder*, October 1935.

91. Cf. *China Weekly Review*, August 17, 1935.

92. Wellington M. Ye, "The Poisoned Northeast," *The Voice of China*, September 15, 1936.

93. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 65. Quotation from *Manchurian Daily News*.

94. *Ibid.*

81. *The Times* (London), September 19, 1936. Letter by Muriel Lester.

82. Cf. League of Nations, O. A. C., *Minutes of the Twenty-first Session*, cited, p. 56. In spite of Japanese cognizance of this situation, 129 shops remained open.

83. *Ibid.*, p. 70.

84. *Ibid.*, p. 65.

is only nominally independent as administered by the Japanese. To whom representations can be made and against whom pressure can be legally brought to bear is uncertain. The Permanent Central Control Board's report to the Council of the League for 1935 called attention to a shipment from Iran of 73 tons of raw opium, which was said to have had Manchoukuo as its destination. But, as Manchoukuo makes no report to the Board, there can be no record of receipts.⁹⁵ It thus provides an outlet for any shipments of opium from countries which do not wish to cooperate with the spirit of existing treaties.

CONCLUSION

All countries in general and the United States in particular are vitally concerned with conditions in any section of the world which threaten the effective international and local control of narcotics. Broadly speaking, the narcotic control chain is as strong as its weakest link. The Bureau of Narcotics of the United States Treasury has become alarmed at the increasing quantities of drugs seized in this country which show evidence of having originated in the Orient. Consequently, it is the policy of the United States, as it has been in the past, to propose more effective measures for the international control of both the illicit drug traffic and the production of raw opium. Public opinion in the United States will surely demand consideration of the opium situation whenever any general conference is held by the nations interested in the Pacific area to discuss current problems. The Assembly of the League of Nations has proposed a conference for the limitation of raw opium, the preliminary committees of which are to meet in 1938. Meanwhile developments in China and Manchoukuo are being closely watched.

The success of China's latest efforts to combat the opium problem, which are embodied in the "six year plan" for the suppression of opium, is dependent on the Nanking Government's ability to enforce its laws in general, its willingness to enforce the opium regulations in particular, its progress in reorienting its agricultural economy away from opium, and its readiness to eliminate opium revenue as a source of public and private income. Only a partial advance has been made, but apparently the Central Government is increasingly sincere in its efforts to eradicate opium. The

campaign against drugs is a part of "the new life" movement, which is identified with the larger expressions of Chinese nationalism—unity of action and concerted resistance to further aggression by Japan. As this report goes to press, 70 drug addicts and peddlers in Kiangsu await execution as sentenced February 19, 1937. But action on the whole program of opium abolition will be more truly indicative of the strength of China's opium campaign. Twenty years ago China was able to suppress opium. If the Chinese government is again able and willing to curb opium cultivation and drug addiction, the result would have a most favorable reaction on public opinion in the United States. Moreover, it would have the additional effect of throwing into relief Japan's responsibility.

Japan's official apathy in controlling the illicit drug traffic of its nationals in Fukien, north China and Manchoukuo is at variance with its successful suppression of the drug menace among its own people. Based on a system of "centralized control," Japanese police authority is notably effective. It thus seems incredible that Japan has made no progress in suppressing the drug traffic in those parts of China and Manchoukuo over which it has *de facto* or *de jure* control. Because the Chinese people generally believe that the Japanese government encourages this traffic with the deliberate intention of weakening the Chinese race, hatred of Japan has become more bitter. That Japan is, to a great extent, responsible for and is wholly capable of cleaning up the drug situation in Manchoukuo and north China is a belief held by many members of the Opium Advisory Committee and by world opinion at large. In the Twenty-first Session, June 1936, the Committee addressed an "earnest appeal to the Japanese Government . . . to take such action as may be necessary to provide penalties for the illicit traffic in narcotic drugs and for their manufacture likely to act as deterrents wherever Japanese jurisdiction extends." The words "without delay," were unsuccessfully urged to be appended on the ground that upon past performances no result would be obtained without it. As far back as 1929, the Japanese representative on the Advisory Committee, M. Sato, admitted that his government's inaction in dealing with the drug traffic was inexcusable. It seems that inaction has now become a policy, a continuance of which may well alienate any sympathy which exists in support of Japan's claims to be the guardian of the best interests of China and the cultural leader of Asia.

95. League of Nations, Permanent Central Opium Board, *Report to the Council*, C.449.M.265.1936.XI., p. 11.